UNITED STATES DEPARTMENT OF AGRICULTURE

FOOD DISTRIBUTION ADMINISTRATION

WASHINGTON, D. C.

May 11, 1943

ADMINISTRATIVE SERVICES DIVISION MEMORANDUM NO. 27

TO: Branch and Division Chiefs and Regional Administrators

FROM: F. J. Hughes, Chief, Administrative Services Division

SUBJECT: Contracting and Purchasing Authority

SECTION 1 - GENERAL

A. Pursuant to the requirements of Budget and Finance Circular No. 546, dated April 10, 1942, copy of which is attached, the concurrence of the Acting Director of Finance of the Department has been secured for the Chief of each Regional Administrative Services Division, with a designated alternate, to exercise contracting authority. A copy of the authority is also attached.

SECTION II - LIMITATIONS OF AUTHORITY

A. In addition to the limitation of $500.00 per contract, the regional contracting officers may not exercise authority in connection with those items enumerated in Budget and Finance Circular No. 546 which must be handled through the Division of Purchase, Sales and Traffic. The right to exercise the contracting privilege is also limited to such authority as has been, or may from time to time be, vested in the Regional Administrative Services Division by the Administrative Services Division in Washington.

SECTION III - INVITATIONS AND BID DOCKETS

A. In line with the last paragraph of the memorandum of the Acting Director of Finance and until notice is given to discontinue such practice, a copy of each invitation for bids shall be forwarded promptly upon issuance to the trade to the Chief, Division of Purchase, Sales and Traffic, U. S. Department of Agriculture, Washington, D. C. When the award is made and the successful bidder notified or purchase order placed, the complete file, consisting of (1) a true copy of the accepted bid, (2) a true copy of the "Statement and Certificate of Award," (3) all other original bids, and (4) a true copy of the price tabulation or abstract of bids, shall also be transmitted to the Chief, Division of Purchase, Sales and Traffic. After review by the Division of Purchase, Sales and Traffic, the file will be forwarded to the Procurement Section, Administrative Services Division, for noting and returning to the Regional Administrative Services Division concerned.

B. A copy of each invitation for bids shall also be forwarded at the time of release to prospective bidders to the Chief, Procurement Section, Administrative Services Division, Food Distribution Administration, U. S. Department of Agriculture, Washington, D. C.

SECTION IV - PROCUREMENT MANUAL

A. The Division of Purchase, Sales and Traffic has issued manuals dealing with contracting, purchasing, and transportation procedures. Copies of these manuals are being furnished to the Regional Administrative Services Divisions and should prove very helpful.

Attachments (2)

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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
WASHINGTON, D. C.

April 23, 1943

To: Roy F. Hendrickson, Director, Food Distribution Administration

From: Acting Director of Finance

Subject: Contracting and Purchasing Authority -- Serial No. 11

Your memorandum of March 30, 1943, seeks concurrence in the delegation of contracting authorities to the seven regional offices of the Food Distribution Administration under the provisions of Budget and Finance Circular 546.

Based upon your showing that it will be to the advantage of your Administration to exercise contracting authority to the extent requested, and in keeping with the Department's policy of decentralizing its procurement functions where practicable, I concur in the delegation of contracting authorities, limited to $500 per contract, as follows:

Name and Address of Office	Position of Field Officer to be designated as Contracting Officer	Position of Field Officer to be designated as Alternate Contracting Officer
Northeast Region 150 Broadway New York, New York	Chief, Regional Administrative Services Division	Assistant Chief, Regional Administrative Services Division
Southern Region Western Union Building Atlanta, Georgia	Chief, Regional Administrative Services Division	Assistant Chief, Regional Administrative Services Division
Great Lakes Region 5 South Wabash Avenue Chicago, Illinois	Chief, Regional Administrative Services Division	Assistant Chief, Regional Administrative Services Division
Midwest Region Old Colony Building Des Moines, Iowa	Chief, Regional Administrative Services Division	Assistant Chief, Regional Administrative Services Division
Southwest Region 425 Wilson Building Dallas, Texas	Chief, Regional Administrative Services Division	Assistant Chief, Regional Administrative Services Division
Rocky Mountain Region Burns-Vault Building Denver, Colorado	Chief, Regional Administrative Services Division	Assistant to the Regional Administrator
Pacific Region 821 Market Street San Francisco, Calif.	Acting Chief, Regional Administrative Services Division	Chief, Procurement Section, Regional Administrative Services Division

All grants of contracting and purchasing authorities are, of course, subject to the exceptions shown in Budget and Finance Circular 546.

As a guide to field contracting officers, the Office of Budget and Finance has issued handbooks dealing with contracting and transportation procedures, and just as soon as it can be duplicated, a manual dealing with purchasing procedures will be released. A limited supply of contracting and transportation manuals has already been furnished your Administrative Services Division. However, I doubt whether that Division has sufficient copies for distribution to the officers named above. I suggest, therefore, that you advise the Division of Purchase, Sales and Traffic of this Office as to the exact number of copies that will be required by the regional offices. Advice as to the availability of the purchasing manual will be made through the medium of a Budget and Finance Circular within the near future.

These operating manuals will undoubtedly prove helpful to your regional administrative officers in the conduct of their procurement work; however, during the early stages of this new function they will probably require some personal instruction and assistance. The Department now has authorized contracting officers located throughout the various States, who, I am quite sure, will be glad to lend assistance in the form of personal instruction and advice on matters of contracting procedures. There is attached a list of authorized bureau contracting offices located in same or nearby cities as your regional offices.

I have delegated to the Division of Purchase, Sales and Traffic the responsibility of exercising a continuing review of the procurement activities of the Department, and as soon as conditions will permit I plan to have representatives of that Division visit these newly delegated contracting officers. These visits will not only show whether these officers are satisfactorily performing their procurement functions, but should also lead to an exchange of thoughts and ideas that will prove beneficial to the Department's purchasing organization as a whole. In the meantime a copy of all invitations for bids should be transmitted by the regional offices to the Chief, Division of Purchase, Sales and Traffic, at the same time they are distributed to the trade, so that they can be reviewed prior to the scheduled opening date. Likewise, as soon as practicable after award is made and bidder notified or order placed, the complete file, consisting of (1) a true copy of the accepted bid, (2) a true copy of the "Statement and Certificate of Award," (U.S. Standard Form No. 1036), (3) all original rejected bids, and (4) a true copy of the price tabulation, shall be transmitted by the regional offices to the Division of Purchase, Sales and Traffic. This file will be promptly returned by that Division, together with its contents, if any, in order that there will be but a minimum of time that these documents are actually out of the regional offices' files. This individual transaction review will be continued only so long as is necessary to obtain assurance that the officials and employees concerned are performing the work in an acceptable manner. At the most it should not extend beyond a few weeks.

(signed) H. A. Nelson

Attachment

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NORTHEAST REGION

Bureau of Agricultural & Industrial Chemistry
Eastern Regional Research Laboratory
Wyndmoor (Philadelphia), Pennsylvania

Farm Security Administration
17 Brief Avenue
Upper Darby (Philadelphia), Pennsylvania

Forest Service
Bankers Security Building
Philadelphia, Pennsylvania

Soil Conservation Service
Center Building, 6800 Market Street
Upper Darby (Philadelphia), Pennsylvania

SOUTHERN REGION

Forest Service
Glenn Building
Atlanta, Georgia

GREAT LAKES REGION

Farm Security Administration
County Court House
Milwaukee, Wisconsin

Forest Service
Madison Building
Milwaukee, Wisconsin

Soil Conservation Service
809 N. Broadway
Milwaukee, Wisconsin

MIDWEST REGION

Farm Security Administration
13th and N Streets
Lincoln, Nebraska

Soil Conservation Service
13th and N Streets
Lincoln, Nebraska

SOUTHWEST REGION

Farm Security Administration
Parry at Commerce Street
Dallas, Texas

Soil Conservation Service
3500 Gleburn Road
Fort Worth, Texas

ROCKY MOUNTAIN REGION

Farm Security Administration
950 Broadway
Denver, Colorado

Forest Service
Post Office Building
Denver, Colorado

PACIFIC REGION

Bureau of Agricultural & Industrial Chemistry
Western Regional Research Laboratory
Albany, California

Farm Security Administration
30 Van Ness Street
San Francisco, California

Forest Service
760 Market Street
San Francisco, California

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
WASHINGTON, D. C.

April 10, 1942

BUDGET AND FINANCE CIRCULAR 546

Field Procurement Authorities

During the past several years, the staff of the Department has thoroughly considered the problem of effective procurement of supplies, materials, and services for the Department outside of the District of Columbia. The need for greater decentralization of procurement activities has been increasingly apparent, but there has also been a consistent trend toward greater complexity in procurement work. The following plan has been developed under authorization contained in Secretary's Memorandum No. 990, dated March 7, 1942, and is designed to facilitate effective procurement by permitting an enlargement of field authorities where necessary, with central office control. Under this plan, purchasing and contracting authorities can be extended to field offices in accordance with the varied organization arrangements of the several bureaus. The objective of the plan is to create a maximum degree of flexibility in the procurement function without sacrificing the economies and other advantages implicit in centralized control. In accomplishing this goal, an item of primary importance is the necessity of continuing the record of the Department for conducting its procurement operations on such a standard as to avoid embarrassment arising out of justifiable criticism of the methods used, the decisions made, and so forth. In the past the Department has enjoyed a remarkable degree of freedom from such embarrassment.

Two classes of authorities--purchasing and contracting--may be granted in pursuance of this Circular, subject to the conditions of the paragraph on "Exceptions".

I. Purchasing Authorities. Bureau chiefs may delegate purchasing authorities indicated in "a" and "b" below to competent employees in the field:

a. Authority to make open market purchases; (1) where the aggregate amount involved is not in excess of the exceptions authorized by law to the public advertising requirements of Sec. 3709, R.S., unless the monetary value of the exception has been administratively limited by the Secretary; (2) where there is only one source of supply or where the nature of the article or service is such that advertising would not result in competition; (3) where an article or service is immediately required to meet an emergency which will not permit any form of advertising. However, on purchases in excess of $500, under (2) and (3) above, the purchasing officer shall file with the contracting officer having jurisdiction, a copy of the purchase order or contract with a statement of relevant facts, EXCEPT in those instances involving purchases for emergencies which threaten loss of life or public property.

b. Within limitations fixed by the bureau, authority to purchase supplies, equipment, materials, or services from contracts awarded by the Treasury Department, Procurement Division; the Navy Department, Bureau of Supplies and Accounts; the Department of Agriculture, Division of Purchase, Sales and Traffic; and other authorized contracting agencies, PROVIDED, that the contract does not specifically reserve the right of ordering to particular agencies. However, approval of the Chief of the Division of Purchase, Sales and Traffic shall be obtained prior to the purchase of air conditioning equipment; bookkeeping and other accounting machines; mimeographing; multilithing, and other similar duplicating equipment; and motion picture cameras, projection machines, sound recording equipment, and other motion picture equipment.

II. Contracting Authorities. Contracting authorities in any amount shown to be needed (but not in excess of $10,000) may be granted by chiefs of bureaus with the concurrence of, and subject to the continuing review of, the Director of Finance (through the Chief, Division of Purchase, Sales and Traffic): (a) to any responsible administrative position at a regional office or field station where the volume of purchasing and contracting activities requires the employment of personnel experienced in this work; or (b) to any responsible bureau officer or employee in the field service who has developed capacity in purchasing and contracting work.

Exceptions

1. Bids shall be solicited and contracts awarded by the Division of Purchase, Sales and Traffic for:

a. Construction work where the amount of the contract may exceed $2,000 (unless the Division of Purchase, Sales and Traffic specifically authorizes solicitation of bids by field officers).

b. Purchase of aerial photography; air conditioning equipment; airplanes (bids for term rental of airplanes may be soliticited in the field but contracts shall be awarded by the Division of Purchase, Sales and Traffic); automotive equipment; heavy equipment; heavy power farm machinery; inboard motorboats; motion picture cameras, projection machines, sound recording equipment, and other motion picture equipment; fanfold; snap-out, pack-type, and other similar commercially printed forms; conservation materials and services which can be more advantageously or economically purchased on a centralized basis; stenographic reporting services; bookkeeping and other accounting machines; mimeographing, multilithing, and other similar duplicating equipment.

2. All books and published material shall be purchased in accordance with Department Regulation 4114.

3. Any grant of authority in the Procurement field is, of course, limited by the over-all control authority vested in the Procurement Division of the Treasury Department, by Executive Order 6166, dated June 10, 1933. Therefore, instructions issued by that agency shall supersede those outlined in this Budget and Finance Circular.

Existing Authorities Not Restricted. Grants of authority made in pursuance of this Circular shall not be construed as restricting any existing authorities which are larger than the terms of the new grant.

The items contained in paragraph "b" under "Exceptions" are subject to future modification based on the development of standard specifications, the record established in the procurement of other materials, and so forth.

For the convenience of bureau officials, and as a means of obtaining uniform information for the central records of the Division of Purchase, Sales and Traffic, standard forms have been prepared on which requests may be made for increased contracting authority. In addition to the information to be included in the standard forms, bureaus are requested to add any other material which may assist in arriving at a determination. Bureaus may obtain copies of the forms from the Central Supply Section, 1905 South Agriculture Building, Washington. The Office of Budget and Finance will be glad to render any assistance which may be needed by bureaus in connection with this further decentralization of the procurement work of the Department.

(signed) W. A. Jump

Director of Finance

Index Entries:

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PURCHASES, authorities to make
CONTRACTS, authorities to make

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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

September 8, 1943

ADMINISTRATIVE SERVICES DIVISION MEMORANDUM NO. 27
Supplement 1

TO: Branch and Division Chiefs and Regional Directors

FROM: William L. Rice, Acting Chief, Administrative Services Division

SUBJECT: Contracting and Purchasing Authority

SECTION 1 - OPEN MARKET LIMITATION

A. The open market purchase limitation of $50.00 applicable to the Department was amended by Public Law 90, 78th Congress, approved June 26, 1943, which contains the following provision:

> "SEC. 204, Section 3709, Revised Statutes (41 U.S.C. 5), shall not apply to any purchase by or service rendered to any executive department or independent establishment during the fiscal year 1944 when the aggregate amount involved does not exceed $100, but this section shall not be construed as affecting any provision of law authorizing purchases or services without regard to said section 3709 in amounts greater than $100."

B. During the effective period of Section 204 quoted in Paragraph A, the references to $50 appearing in Department Regulations 3311, 3322, 3331, and 3332 are suspended and $100 is substituted therefor.

William L. Rice

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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.

December 11, 1943

ADMINISTRATIVE SERVICES DIVISION MEMORANDUM NO. 27
Supplement 2

To: Branch and Division Chiefs and Regional Directors

From: F. J. Hughes, Chief, Administrative Services Division

Subject: Contracting and Purchasing Authority

SECTION I - INVITATIONS AND BID DOCKETS

A. The following section of Administrative Services Division Memorandum No. 27 is hereby rescinded, effective immediately:

1. Section III which provided (a) that a copy of each invitation for bids shall be forwarded promptly at the time of release to prospective bidders, to the Chief, Division of Purchase, Sales and Traffic, U. S. Department of Agriculture, Washington, D.C., and to the Chief, Procurement Section, Administrative Services Division, Food Distribution Administration, Washington, D.C., and (b) that when the award had been made and the successful bidder notified, a complete file of the bid docket should also be forwarded to the Chief, Division of Purchase, Sales and Traffic, for review.

B. The Director of Finance has advised that the review of these documents by the Division of Purchase, Sales and Traffic shows that the exercise of contracting authority by the Regional Administrative Services Divisions has been satisfactory.

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